

STATE OF WISCONSIN

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

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In the Matter of Arbitration

between

CRANDON EDUCATION ASSOCIATION

and

SCHOOL DISTRICT OF CRANDON

ARBITRATION AWARD

Case VI, No. 30742

MED/ARB - 2030

Decision No. 20171-A

Gordon Haferbecker, Arbitrator

June 2, 1983

WISCONSIN EMPLOYMENT RELATIONS COMMISSION

APPEARANCES:

R. A. Arends, Executive Director, WEAC Uniserv Council #21, for the Association.
William C. Bracken, Membership Consultant--Wisconsin Association of School Boards, for the District.

BACKGROUND

The collective bargaining agreement between the parties was reopened on various issues on July 1, 1982. On May 19, 1982 and May 26, 1982, the parties exchanged their initial proposals on contract changes. Thereafter, they met on five occasions on various items reopened in their current agreement. On November 24, 1982, the Association filed a petition for Mediation-Arbitration pursuant to the statutes. On December 7, Mary Jo Schiavoni, a member of the Wisconsin Employment Relations Commission's staff, conducted an investigation which reflected that the parties were deadlocked in their negotiations. By December 7, 1982, the parties submitted their final offers as well as stipulations on matters agreed upon. The Investigator advised the Commission that the parties remained at impasse.

The Commission initiated Mediation-Arbitration on December 15, 1982 and provided the parties a panel of Mediator-Arbitrators for their selection. On December 28, 1982, Gordon Haferbecker of Stevens Point was appointed as Mediator-Arbitrator.

A mediation session was held on March 28, 1983. Mediation was not successful and an arbitration hearing was conducted the same day. Briefs were exchanged May 13 and were received by the Arbitrator on May 16. The parties notified the Arbitrator that they elected not to file reply briefs.

In this report, Board or Employer exhibits are identified as "B" and Union or Association exhibits as "U".

FINAL OFFERS

Crandon Education Association. This offer includes all tentative agreements stipulated between the Crandon Education Association and the School District of Crandon at the mediation-arbitration investigation conducted by Ms. Mary Jo Schiavoni of the Wisconsin Employment Relations Commission on December 7, 1982.

"Article XV - Change Section B, Paragraph 3 to 3a (Editorial)

Add new Section B, Paragraph 3b as follows:

b. If not settled in Step 3a above, the grievance may be submitted to binding arbitration by the Association. The arbitrator shall be appointed by the Wisconsin Employment Relations Commission from its members or staff. Any costs of the arbitrator, including Commission filing fees shall be split equally between the Board and the Association. The decision of the arbitrator shall be final and binding on all parties to the grievance.

ARTICLE XXXI - Add the following language (CAPITALIZED) to Paragraph A as follows:

A. If necessary to decrease the number of teachers (EITHER PARTIALLY OR IN WHOLE) by reason of a substantial decrease of pupil population or termination of a federal or state program, the Board may lay off pursuant to 118.22 Wisconsin Statutes, the necessary number of teachers taking into account and protecting the seniority (within the area of elementary, junior high, senior high) of all teachers who are certified or certifiable for retention.

(Clarification Note: All language to remain the same in paragraph A except for the insertion of (EITHER PARTIALLY OR IN WHOLE)

1982-83 WAGE RATE SCHEDULE (as attached)

All other language in the collective bargaining agreement to remain unchanged except for those issues covered in tentative agreements outlined above.

FINAL OFFER OF THE CRANDON EDUCATION ASSOCIATION
for
APPENDIX D

1982-83 WAGE RATE SCHEDULE

	MS								
STEP	B	BS+8	BS+16	BS+24	BS+30	MS+8	MS+16	MS+24	MS+30
1	12185	12478	12770	13063	13355	13531	13707	13882	14058
2	12802	13095	13389	13683	13976	14160	14344	14528	14712
3	13419	13713	14008	14303	14598	14790	14982	15174	15366
4	14035	14331	14627	14923	15219	15419	15619	15820	16020
5	14652	14949	15246	15543	15840	16049	16257	16466	16674
6	15269	15567	15865	16163	16461	16678	16895	17111	17328
7	15886	16185	16484	16783	17083	17307	17532	17757	17982
8	16503	16803	17103	17404	17704	17937	18170	18403	18636
9	17120	17421	17722	18024	18325	18566	18808	19049	19290
10	17736	18039	18341	18644	18946	19196	19445	19695	19944
11	18353	18657	18960	19264	19568	19825	20083	20340	20598
12	18970	19275	19580	19884	20189	20455	20721	20986	21252

To qualify for interim step rate increases toward the full job rate, a teacher must successful complete two (2) inservice days or its equivalent during the previous 12 month period.

Crandon School District. (1) All provisions of the former 1981-83 agreement shall continue in the new 1981-83 agreement except as modified by any tentative agreements reached or the final offer below:

- (2) BA base 12,100
 increment 565
 lane differential 240
 same number of steps
- } 1982-83 Salary Schedule

1982-83 BOARD FINAL OFFER

	MS								
STEP	B	BS+8	BS+16	BS+24	BS+30	MS+8	MS+16	MS+24	MS+30
1	12100	12340	12580	12820	13060	13300	13540	13780	14020
2	12665	12905	13145	13385	13625	13865	14105	14345	14585
3	13230	13470	13710	13950	14190	14430	14670	14910	15150
4	13795	14035	14275	14515	14755	14995	15235	15475	15715
5	14360	14600	14840	15080	15320	15560	15800	16040	16280
6	14925	15165	15405	15645	15885	16125	16365	16605	16845
7	15490	15730	15970	16210	16450	16690	16930	17170	17410
8	16055	16295	16535	16775	17015	17255	17495	17735	17975
9	16620	16860	17100	17340	17580	17820	18060	18300	18540
10	17185	17425	17665	17905	18145	18385	18625	18865	19105
11	17750	17990	18230	18470	18710	18950	19190	19430	19670
12	18315	18555	18795	19035	19275	19515	19755	19995	20235

To qualify for interim step rate increases toward the full job rate, a teacher must successfully complete 2 inservice days or its equivalent during the previous 12 month period.

Stipulation: The parties had agreed on a 1982-83 calendar, adjustments in per credit payments, mileage, dental premiums, and extra curricular pay. They agreed on a revised teacher transfer clause.

MAJOR ISSUE

During mediation and in their briefs both parties agreed that the salary schedule issue is the most important issue in this dispute. The two language proposals are of less significance and should not be determinative of the outcome of this dispute (Board Brief, p. 1 and Union Brief, p. 3).

COMPARABILITY

The parties differ on the question of what school districts are comparable to Crandon. The Employer thinks that the Northern Lakes Athletic Conference schools are the most reasonable comparables. The Union compares Crandon with other CESA #3 districts and also presents some athletic conference comparisons.

Position of the Employer. Both parties have comparisons involving schools in the Athletic Conference. Crandon is similar to the Athletic Conference schools based on such factors as enrollment, number of teachers, pupil-teacher ratio, annual school cost per student, tax rates, state aid, and portion of school costs assumed locally. They are in the same labor market and have a community of interest with one another due to their close geographic proximity (B-3, 4, 5, 6, 7, 8). The above factors have been consistently recognized by arbitrators as a solid basis for selecting comparable school districts.

Crandon is not comparable to all of the districts in CESA #3. Most of the non-athletic schools in CESA #3 have a higher equalized valuation per student than Crandon (U-2). Nearly all are larger than Crandon in numbers of teachers and students (U-3, 4). Marinette and Shawano, for example, have nearly twice as many students.

Some of the Union's CESA #3 comparables include districts that have settled multi-year agreements under a radically different economic environment and thus must be rejected for comparability purposes. One example is Pembine which made a two-year agreement for 1981-83 in May of 1982. Since the Union did not produce any evidence as to the timing of settlements, the Arbitrator and the parties do not know how many other schools used by the Union reflect multi-year agreements. The persuasive value of earlier settlements is considerably diminished because of the dramatic decline in the rate of inflation and the dramatic increase in unemployment since the time the agreements were reached.

The Employer quotes Arbitrator Petrie's recent decision rejecting the Union's attempt in School District of New Glarus to compare salaries to the "state-average/similar size."

The Board presents data showing that Crandon improved its salary rank among the Conference Schools during the period 1979-80 to 1981-82 (B-10, 11, 12, 13 and Employer Brief, p. 32). It rose from ninth place on B.A. base in 1978-79 to fourth in 1981-82. It rose in M.A. base from sixth to fourth. Its average rank rose from seventh to 5.4 (out of 9). This shows that the Employer has been receptive to providing above-average increases to its teachers.

Board Exhibit 14 also shows Crandon's improvement since 1979-80 (to 1981-82) when looking at benchmark comparisons.

It is very difficult for the parties and the Arbitrator to evaluate the 1982-83 salary schedules because so few districts in the Conference have settled. Pembine settled a multi-year agreement a year ago so its settlement can't be used for comparison purposes. Phelps settled for an 8% increase in each cell on the salary schedule but no one advanced their normal yearly increment on the schedule. Thus, employees are "frozen" at their current placement and earn an 8% salary increase. Goodman-Armstrong settled very early and utilized a split salary schedule which makes comparisons difficult.

The Union asserts that the "benchmark" analysis is the best way to compare salaries. The Employer disagrees because: 1) few, if any, teachers are located at those specific points on the salary schedule, 2) benchmark analysis ignores intervening factors such as introduction of a new fringe benefit which may reduce salary schedule improvements that year, 3) it ignores total costs of any proposed settlement, 4) distortions are created by unique settlements like the Phelps case where teachers did not earn the yearly increment.

Because so few conference schools have settled, and those few are so unique, the Employer contends that other statutory criteria (namely interest and welfare of the public) must rise to the forefront as being the decisive factor in this dispute. A total package of 7.3% coupled with the great strides the Board has made in the past, and the impact of the current recession and extremely low inflation rate, tips the scale of reasonableness to the Board's offer. The Union's offer of 11% is simply too high and exceeds all bounds of reasonableness.

Union Position. The Union states that there has been no previous voluntary agreement at Crandon concerning which districts are most comparable.

The first area of comparability to be considered is the State of Wisconsin. The historical "trickle down" effect has had the effect of bringing some of the more expansive benefits accorded teachers in larger communities down to some of the smaller schools. If the higher wage levels of the larger schools were ignored and only similar percentage increases were allowed, the disparity would increase and the rich would get richer and the poor would get poorer.

Union Exhibit 16 includes the average Wisconsin teacher contract settlements for 1982-83 as of 2-24-83. It shows that compared to the average benchmark increases, the Employer offer would cause Crandon teachers to lose ground substantially in comparison to statewide average salaries. Board Exhibits 21 and 39 show that the average Crandon teacher was paid \$3,149 less than the state average.

The Association makes comparisons with the CESA #3 schools for several reasons. In this case, the pattern of settlements is much better established than in the Athletic Conference. As of March 3, 1983, only 3 of the 10 athletic conference schools had settled, while in CESA #3 there were 10 of the 21 settled (U-14).

The Crandon School District has ties with CESA #3. A Crandon member sits on the CESA Board of Control. It has a member on the Agency School Committee which has influence on the boundaries of school districts. Crandon is slightly above "the middle of the pack" when it comes to being able to support education financially (U-2). There are 8 schools with more financial wherewithall and 12 schools with less financial backing behind each student. Crandon is the fifth largest school in the group. This represents a much fairer statistical sampling than placing Crandon only within its conference, where Crandon is by far the largest school (U-5)

Also, within the athletic conference, there are three schools that are uncharacteristic. Phelps, Elcho and Three Lakes are all property-rich schools in the Rhinelander-Eagle River-Minocqua area which have completely different economic bases of support. All three have over 90% of their schools paid for by local taxes (B-8). This is much different than schools like Crandon where much more comes from state aid formulas.

When Crandon is compared with the other 20 schools in CESA #3, using several benchmark positions, it ranks 17th to 19th of the 21 schools in 5 salary comparisons (U-10, 11, 12, 13, 14) for 1981-82.

Union Exhibit 18 gives data on the 1982-83 increases for the 10 CESA #3 schools that have settled. The Union's proposed increases for 1982-83 are very close to the CESA average increases for the five benchmark positions but the Employer's proposal for Crandon is considerably below the average as shown here:

	<u>BA-MIN</u>	<u>BA-MAX</u>	<u>MA-MIN</u>	<u>MA-MAX</u>	<u>Sch-MAX</u>
CESA #3	822	1443	986	1761	1849
Crandon Union	785	1465	995	1724	1827
Crandon Employer	700	810	700	810	810

The Union's offer is far superior and much more reasonable for career teachers who are on the bottom of the schedule. Were the Board's offer to be selected, it would result in significant erosion of the career teacher's purchasing power and rank in relation to other CESA #3 schedules (U Brief, p. 4).

COSTS OF THE FINAL OFFERS

Employer Position. The Board projects the cost of its salary offer as a 7.3% increase while the Association proposal amounts to a 11% increase. The difference between the offers is \$42,004 or \$785 per teacher (Board Brief, p. 11). The above costs were calculated by using the 53.5 FTE who were employed in 1981-82 and were moved forward to the new salary schedule under both final offers.

If the Union were to present costing information comparing the 1981-82 staff of 53.5 FTE with the actual 1982-83 staff of 46.5 FTE, the Board would object to the approach as misleading and inaccurate. Since the Board is not raising the ability-to-pay issue in these proceedings, the "budgetary impact" method of costing is totally inappropriate for consideration by the Arbitrator.

Many arbitrators and other parties have consistently relied upon the "former staff moved forward" costing methodology to measure the impact of a settlement. It is the most common and accepted means of calculating total costs.

If the parties were to use only the 46.5 FTE teachers who were employed in 1981-82 and returned to teach in 1982-83, the Board's proposal would show a 7.4% increase and the Union's 10.9%. This is very close to the previous comparison (Board Brief, p. 14).

Union Position. The actual costs to the District will be considerably less than the Board's comparisons suggest. The elimination of two teaching positions, at average teaching salaries, removes \$32,476 from the 1982-83 salary total. Thus, the actual payroll increase would be 2.7% under the Board offer and 6.7% under the Union offer (Union Brief, p. 6).

The Union estimates the cost of the difference between the Board's offer and the Union offer to be \$34,364. This amounts to about \$1.77 for each tax paying unit in the Crandon District (Union Brief, p. 6). To keep Crandon even with the established pattern in the conference, it would take double digits by their method. Of course, inflation in this area has also been in the double digits.

Arbitrator Kerkman in Kimberly (MEED/ARB - 910) said: "given the lower base from which the teachers here are departing, the impact of percentages on that lower base mathematically results in less actual dollars than if the same percentages were applied to the higher bases found in Kaukauna. The undersigned, therefore, concludes that the higher percentage of settlement is justified." The Union feels that statement would apply to Crandon in this case.

SALARY SCHEDULE CHANGE

Employer Position. The Union is proposing to alter the existing salary schedule structure in a drastic way. It has increased the lane differential in the first half of the schedule by an extraordinary 22% and decreased it by 27% in the latter half of the salary schedule. There is no rational reason for tinkering with the \$240 for every eight credits that represents the status quo. The Union increases this to \$293 for BA, BA + 8, BA + 16, BA + 24, BA + 30/MA lanes and then makes it 176 for the MA plus lanes (Board Brief, p. 15).

It also increases the existing dollar differential between the BA and MA base by 22%. The Union has not produced any evidence to justify such radical and excessive increases.

The Arbitrator should not make such a sweeping change in the salary schedule structure given the limited reopener the parties are bargaining under for the 1982-83 school year. Such a fundamental salary schedule change should be left to the parties to jointly negotiate, not be imposed by an arbitrator.

Union Exhibits 7 and 8 show the dollar and percent increase for each cell under the Board and Union offer. These are misleading because they ignore the increment a teacher receives for moving one step on the salary schedule.

Union Position. The Union's offer, as shown earlier, is very close to the average dollar increases for the CESA #3 settled schools. The Board's offer is less than half that average at the MA Maximum and Schedule Maximum positions (Union Brief, p. 4).

The Board's offer is most out of line for career teachers who have high levels of experience and education.

INTEREST AND WELFARE OF THE PUBLIC - ECONOMIC CONDITIONS

Employer Position. The Board has presented numerous exhibits to show the economic turmoil the U.S. is currently facing. In the midst of the most severe recession since the 1930's an arbitrator should not award an 11.0% package as the Union has proposed.

Some of the pertinent economic data are as follows; business failures are at the highest level since the Great Depression. Many Unions have made concessions to Employers. Wage increases in the private sector rose only 4.9%; large employers only 3.8%. GMP declined 1.7% during 1982 and the economy is lagging into 1983 (Employer Brief, p. 19).

The Wisconsin and Crandon areas also show a grim economic environment; lay-offs, 12.2 unemployment in Wisconsin in December of 1982, Forest County unemployment of 25.5% in March, 1983, double the state average, Forest County delinquent real estate taxes of over double the state average, Forest County adjusted gross income of 45% below the state average in 1980, pay freezes by 6 of 9 local employers surveyed, and Wisconsin lagging behind the national economy in recovery (Board Brief, pp. 20-21).

The Board's offer of a 7.3% total wage and benefit package in an economy with an inflation rate of 3.5% over the last twelve months clearly strikes a responsible and generous balance between the public interest and the needs of the District's teaching employees.

The Board quotes many Wisconsin arbitrators who have rejected large Union wage proposals in view of current economic conditions (Board Brief, pp. 23-31).

Union Position. While the Employer has not raised an "inability to pay" argument regarding the Union's pay proposal, information on willingness to pay may be appropriate. The School District of Crandon is above average in wealth in the comparable group (U-2), has less teachers than the average (U-3), has more pupils than the average (U-4), is spending the least per pupil of all (U-5), is taxing itself the least (B-7), is paying teachers much less than average (U-10-14).

The Employer has not shown how their "economy" exhibits translate into a real financial need to offer a substandard wage. Absent that, no volume of exhibits should be given the slightest bit of consideration.

Board Exhibits 22 and 23 show that the total taxes collected in 1982 were 13.2% above 1981 (Union Brief, p. 7). This seems to show no difficulty in raising funds.

Board Exhibit 24 shows the unemployment rate in Forest County to be 25.5% on 3/1/82. However, the number of persons in the labor force has increased in Forest County by 72.4% in the last three years and the number of persons employed in Forest County has increased by 36.7% (U-22). This is a picture of an expanding economic base. While the percentage of unemployment in Forest County is high now, it has historically been second highest in the state (U-22A). The Job Service Division at Rhinelander has explained this historically high rate as due to the high number of Native American residents in Forest County as in Menominee County which is traditionally the highest.

The Crandon community has been prominent in the news of this state for the past five years with stories about the Exxon mining development just outside the City limits. This mine development has already provided new jobs in the area and will soon provide 1000 new jobs within the next few years.

The 590 new jobs created in Forest County in the last few years are the sign of an economy on the move.

One of the recent recommendations of the National Committee on Excellence in Education was that there be a 25 to 50% increase in teacher salaries (Union Brief, p. 9).

In a recent decision, Arbitrator Imes in Antigo MED/ARB-1670 stated that arbitrators may now need to take into account the modest improvement in economic indicators in the past few months.

COST OF LIVING

Employer Position. The cost of living as measured by the Consumer Price Index has been steadily decreasing from its lofty and intolerable double-digit levels. From August, 1981 to August 1982, the relevant period for this contract, the CPI increased by 5.8% (B-29, 30). The Board's final offer exceeds the CPI increase by 1½% so the teachers would gain in real purchasing power. The Union's final offer exceeds the CPI increase by almost twice the relevant rate or by over 5%. This is unreasonable and excessive. The CPI rate is now declining further. From January 1982 to January 1983, the CPI increase was a small 3.5% (B-20).

The Union in its Exhibit 18 fails to omit the annual experience increments in its calculations. This fallacy was noted by Arbitrator Vernon in De Pere School District (Board Brief, p. 37). Arbitrator Petrie is quoted as stating that it is not appropriate to

compare past wage increases over a period of years with past CPI changes. It should be assumed that the parties explicitly disposed of cost of living in their earlier negotiation (Board Brief, p. 38).

The Union's exhibits on the CPI focus on salary alone and not the total package increase which arbitrators agree is the most appropriate measure of an offer compared to inflation.

Union Position. The cost of living increase during the twelve-month period just prior to the effective date of these wages was 10.3% (U-17 & B-30). For the same period the previous year cost of living increase in the North Central States was also 10.3%. We have had a two year period over which the 10.3% figure seems to predominate. Teacher wages have suffered serious erosion of buying power.

The Employer has entered exhibits which show lower CPI percentage rates of erosion than the Non-Metro Areas Index used by the Union. The Union has shown in its Exhibits 18 and 18 that under either the non-metropolitan index for North Central States or the Employer's preferred U.S. City Average CPI, the Crandon teachers have not kept pace with increases in the cost of living.

As an example, if you use the U.S. City Average and apply it to the Scheduled Maximum of the Crandon schedule just this year alone, you will find the Board's offer losing teachers another \$546 to the cost of living while the Association offer gets them back \$471 of what they lost previously (see bottom of last column in U-18A).

OTHER FACTORS

The Employer states that Crandon provides its teachers with a long list of fringe benefits, job security provisions and other benefits which contribute to overall compensation (Board Brief, p. 40).

The Board has alluded to the factors that have normally and traditionally been taken into account in determining wages, hours, and conditions of employment. The laws of supply and demand, the weak economic front, high taxes, loss of income to the citizens/taxpayers who support the school district, private and public sector settlements, and others, all influence collective bargaining. The Board believes their single-digit offer best meets the statutory criteria and strikes the best balance between the public and the teachers.

ARBITRATOR'S ANALYSIS

Among the various statutory criteria, the parties in this case have given major emphasis to cost of living, comparability, and the interests of the public. Overall compensation has been mentioned and the structure of the salary schedule is important to both parties.

Cost of Living. As the Employer points out the national CPI increased 5.8% from August 1981 to August, 1982. This is the most pertinent time period to consider. The Union wage proposal, 11% as estimated by the Employer, is well above that figure and would probably be above it even if the experience increment were not considered in the increase.

The Union uses the Non-Metro Areas Index which shows a 10.3% increase in the twelve months preceding this contract. It noted also a similar increase in the previous twelve months. I have some question about the use of this index since it seems to lag behind changes in the national CPI. More unions are currently using it because it shows a higher rate recently. I don't know whether both parties have historically used the national CPI in Crandon negotiations.

In any event the Union does also use the national CPI in Union Exhibit 18a to show the erosion of Crandon teacher salaries over the period 1978-79 to 1982-83 as CPI increases have exceeded increases in the salary paid at various benchmark positions such as bachelor's base and master's base. The Employer has pointed out two serious deficiencies in this exhibit. It ignores the fact that teachers have had annual experience increments to help offset inflation during this period and the comparison is based on wage schedule changes only and ignores the total settlement costs including such items as health insurance. Since items like health and dental insurance are an important part of the CPI, the Union Exhibit has a

	B	BX	M	MX	SMX
Amount above or below combined average:					
Union offer	-46	-22	8	-17	-2
Employer offer	-237	-633	-287	-931	-1019

(from U-16)

All of the comparisons show the Employer offer to be nearly or over \$1,000 below the average settlements in the master's maximum and schedule maximum benchmarks.

The Union offer is very close to the CESA #3 and the combined average. It would not result in an increase above the other teacher settlements in most of the benchmark positions.

There is one deficiency in the Union Exhibit. We do not know how many of the 1982-83 settlements represent the second or third year of a two- or three-year contract. Settlements made a year or two ago tend to be above current settlements since they were made in a different economic climate.

While this factor probably has some impact on the 1982-83 averages, I do not feel that it would have so major an impact as to invalidate the very large salary differences shown in Union Exhibit 16.

In looking at the Employer's comparisons of Athletic Conference schools, it appears that Crandon made some gain in its rank at various benchmark positions over the period 1979-80 through 1981-82 (Board Brief, p. 32). The data does show that the District lost rank in 1980-81, compared to 1979-80 and that it ranks sixth or seventh at the MA Base, MA Maximum, and Schedule Maximum benchmarks. Data for 1982-83 increases are not shown because of the lack of settlements and the peculiarities of those few cases.

The Arbitrator finds that on the basis of comparisons with CESA #3 schools, the few conference settlements, and the state data, the Union position is clearly more reasonable. While I do not feel that state average salaries or state average salary increases should be a primary comparison, it is useful to look at whether Crandon is gaining or losing ground in such comparisons. The Employer questioned the source of the state-wide settlement data but the Union position would be still the more reasonable if only CESA #3 and Conference settlements were considered. The Employer did provide data showing that Crandon teachers are paid \$3,149 less than the state average.

Change in the Schedule Structure. The Employer pointed out that the Union was proposing major changes in the step or vertical increment and in the lane or horizontal increment. The Employer contended that such basic structural changes should be negotiated and not imposed as a part of an arbitration settlement.

While I can understand the Board's position on this issue, and while I agree that it would have been better to negotiate such a change, the Union and Board Exhibits do show the fact that the Crandon salary schedule in the past was most behind other comparables at the higher experience ranks, such as bachelor's maximum and at the higher education and experience maximums, such as master's maximum and schedule maximum.

It seems that a different approach to the schedule was needed in order to more fairly compensate the career teacher's experience and educational levels.

Thus, on this issue, I find the position of the Union to be more reasonable.

Private sector wages. The Employer has shown that 1982-83 private sector wage increases have been well below both the Employer and the Union economic package offers in this case. The Union has not denied this.

While I find the Employer offer more reasonable on this criterion, I also note that historically, private sector wage increases have not been given great weight in comparison to teacher wage increases. In the past, teacher wage increases often lagged behind private sector wages, but arbitrators and negotiators did not give this as much weight as they did comparisons with other teacher settlements.

Other Public Sector Settlements. Board Exhibit 25 showed that for Forest County employees no 1983 wage increase has been proposed and that there is a pay freeze for City of Crandon employees. The Forest County employees last had an 11% wage increase, but the date is not given. The Union asked for substantiation of the individual settlements used in providing that figure but the Board has not responded.

While the data is not fully adequate, it is probable that Crandon and Forest County 1983 wage settlements are likely to be below the Board and Union proposals for Crandon teachers. Again, as in the case of private sector settlements, other local government settlements have not been given much weight in the past by negotiators and arbitrators who have preferred to compare teachers primarily with other teachers.

Interests of the Public--the Economy. As indicated earlier the Employer has provided comprehensive exhibits and data concerning such matters as unemployment, business failures, pay freezes, and the like. The Employer contends that in the face of the recession situation its wage offer is much more reasonable.

The Union has countered the Employer's position with extensive exhibits of its own including such data as Crandon's equalized value, its low spending per pupil, its low tax rate and its low teacher salaries.

Concerning the local economy, the Employer points to Forest County's high unemployment rate (25%) and the low per capita income. The Union counters with the fact that Crandon's unemployment has historically been one of the highest in the State due in part to the high

population of Native Americans. Job Service data indicate that there has been a gain of 1260 in the number of people in the labor force in Forest County from 1980 to 1983 and a gain of 590 in the number employed. This is the largest gain in the five northern counties shown in the exhibit (U-22).

While the Employer has not pleaded inability to pay, he has implied that the size of the Union wage increase would have a negative impact on the public because of general economic conditions in Wisconsin and in Forest County. The Union has shown that the impact of its offer on the school district taxpayer would be considerably less than might appear from the percentage wage comparisons emphasized by the Board (Union Brief, p. 6).

The Union also points out that the economic situation is changing and that economic indicators are improving.

On the basis of this criteria--the interests of the public, including the economy, I find the positions of the parties quite evenly balanced but with the Union having a slight advantage as we look to the economic future of Forest County.

CONCLUSION ON SALARY ISSUE

As indicated above, the Arbitrator found the Employer position more reasonable as it relates to cost of living and to private sector and non-teacher public employee settlements. I found that the criteria of overall compensation did not favor either position. I found that on the interests of the public--including the economy--the Union position was slightly more reasonable. I found the Union position clearly more reasonable in looking at teacher salary comparables. I also found the Union position more reasonable on the structure of the salary schedule, particularly its impact on career teachers.

The Arbitrator gives the greatest weight to the criterion of teacher comparables and to the teacher salary schedule. These are clearly more important than private sector and non-teacher public employee settlements. While the Employer's position is stronger on the cost of living criterion, I do not think that it should carry as much weight as the teacher comparability issue.

I therefore conclude that on the salary issue, the Union position is overall more reasonable.

GRIEVANCE PROCEDURE

Employer Position. The Union has proposed binding arbitration by the WERC to resolve grievances. The Board proposes the status quo. Even though all but one comparable school provides for binding arbitration, the Board notes that very few, if any, grievances have been filed by the Union. Thus, there is no evidence to show that a change in the status quo is necessary.

The Union, if it believes the Board has violated the collective bargaining agreement, has the right to file a prohibited practice charge against the Board with the WERC. The WERC is empowered to issue a decision which is final and binding on both parties. There is no difference between the two results except in name only.

Union Position. The introduction of binding arbitration would allow the Union and the Board to escape the stigma which is sometimes attached to Unfair Labor Practice charges in the public view. The Union would prefer that an impartial person be designated to be the final determinor of disputes rather than a State hearing officer who is called for formal and expensive determination as to whether or not the State Law has been violated.

The Union believes that the informal process of binding arbitration would contribute to a better employer-employee relationship. It is the Union's experience that binding arbitration is faster and less costly than court proceedings.

Arbitrator's Conclusion. I find the Union position more reasonable on the basis of comparables and on the basis that it is faster and less costly than unfair labor practice proceedings.

LAY-OFF ISSUE

Employer Position. The Union has proposed to cover a decrease in the number of teachers (either partially or in whole) under the lay-off clause. The Board proposes the status quo which covers a lay-off of an entire teacher. The Union's proposal is over-simplistic, unnecessary, and will lead to future conflict.

Only two out of nine comparable districts cover partial lay-offs (B-28).

The existing lay-off clause contains no definition of seniority. Under the Union proposal, how do part-time teachers acquire seniority? Do they acquire seniority at the same rate as full-time teachers or is it pro-rated. Under the Union proposal a situation could develop where both a full-time and part-time teacher could be reduced in hours. The Union's proposal makes no distinction between part-time teachers where employment has traditionally fluctuated.

The Union proposal would reduce the Board's flexibility in meeting staffing needs. The Board views a reduction in hours as a change in assignment, not a partial lay-off. The Union has not shown any local problem on partial lay-offs.

Union Position. The Union position is that the current language of the contract was intended to apply to all bargaining unit members, not just full-time reductions. A recent Supreme Court decision suggests to the Union that needless future litigation could be avoided by making sure the contract says what was intended. We believe the clarification we propose is equitable, reasonable, and supported by an increasing tendency for other comparable districts to allow such clarification.

Article XII of the current agreement allows teachers "just cause" for dismissal and non-renewal. To allow the Union's proposed change would plug the loophole, so to speak, which gives the Board an opportunity to circumvent the job security provisions of the agreement by implementing a partial lay-off.

Arbitrator's Conclusion. This issue is not as clear cut in its implications as the binding arbitration issue. The Union has a proper concern for job security as indicated above. The Employer is properly concerned about the implementation of the Union proposal and its possible impact on the Board's flexibility.

I find the status quo more reasonable in view of the uncertainties as to the application of this provision. I recognize, however, that in view of my selection of the Union's final offer, the parties will need to live with the Union's proposed language. In implementing the new provision the parties will need to negotiate in good faith, looking at both the teachers' security needs and the Employer's need for flexibility.

DECISION

After reviewing the briefs and exhibits of the parties, and taking into account the statutory criteria, the Arbitrator found the Union final offer on the salary question to be more reasonable than that of the Employer. The parties and the Arbitrator are in agreement that because of the much greater importance of the salary issue, the final offer selection should be based on that issue, the language matters being secondary.

Therefore, the Union Final Offer is selected.

AWARD

The Final Offer of the Crandon Education Association, along with the agreed stipulations, shall be incorporated into the 1982-83 contract between the School District of Crandon and the Crandon Education Association.

June 1, 1983

Gordon Haferbecker
Gordon Haferbecker, Arbitrator